

Dominion pushes for large wind farm off Va. Beach

BALTIMORE

Dominion Virginia Power is interested in building up to 400 wind turbines in more than 20 miles off Virginia Beach in what could be a powerful message for a slowly emerging domestic source of clean energy.

"If everything aligns and it makes good sense and we have our regulators on board, yes, we would be moving forward on a wind farm," Mary Doswell, Dominion's senior vice president for alternative energy solutions, said Thursday in an interview with The Associated Press.

"We are in a good position to do this and pull all of it together," she added.

Doswell outlined Dominion's interest before the Obama administration announced the completion of a review that concluded offshore wind turbines would cause no major environmental damage. It opens the door for developers to begin stepping forward.

Virginia has the infrastructure to develop a robust offshore wind industry and Doswell said the utility's own study has shown it has the necessary transmission lines to deliver power from turbines positioned more than 20 miles off Virginia Beach to its electric customers.

Keeping costs down, Doswell said, will be the challenge. Absent tax credits, power generated by towering wind turbines costs about 28 cents per kilowatt hour, while Dominion's rates are now in the range of 11 to 12 cents per kilowatt hour.

"So that's what we're battling," she said. "Wind is a great resource and you can do it with scale, but we've got to work on this cost equation."

Virginia's largest utility has a \$500,000 Department of Energy Grant to study approaches to bring down the costs of offshore wind development, including turbine designs and other new technologies.

Clean energy advocates have promoted the power off Virginia because of optimal winds and shallow waters in the areas designed for development by the government. They have said the state's shipbuilding and port industries are platforms for the design, manufacture and shipping of turbines.

Jacqueline Savitz, senior campaign director for the advocacy group Oceana, said it's an important development that Dominion is stepping forward.

"It symbolizes that Dominion is moving away from the old way of doing business and moving to clean energy," she said.

The Bureau of Ocean Energy Management has identified Atlantic waters — the "call area" — totaling 112,799 acres. It is 23.5 miles nautical miles from Virginia Beach and includes 19 whole blocks for development and 13 partial blocks.

Thursday's announcement by the bureau is intended to test industry interest in development of the blocks, or parcels. Each parcel is 3-by-3 miles.

Dominion said it would formally express its interest in developing the offshore parcels.

Doswell said Dominion would likely be interested in developing offshore winds in phases of 500 megawatts up to 2,000 megawatts. It would involve from 100 to 400 turbines.

The 2,000 megawatts would generate enough power for 500,000 households.

Federal tax credits for the development of offshore power are due to expire this year, which Doswell said is a "big deal" because of the expense of developing offshore winds.

"These things are expensive," she said. "Certainly the tax credits would be a big boost."

Gov. Bob McDonnell, whose ambition is to make Virginia the "East Coast energy capital," said Thursday's announcement is "one important component" of that plan.

"America must continue to generate electricity from traditional sources such as coal, nuclear and natural gas, while moving forward in pursuit of innovative alternative sources like wind, solar and biomass," McDonnell said in a statement. He has also pushed for offshore oil and gas exploration.

Source: <http://hamptonroads.com/2012/02/dominion-pushes-large-wind-farm-va-beach>